Illinois Department of Insurance

68th Annual Report to the Governor



Summary of Annual Statements

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Rod R. Blagojevich, Governor

J. Anthony Clark, Director



STATE OF ILLINOIS

DEPARTMENT OF INSURANCE 320 WEST WASHINGTON STREET SPRINGFIELD, ILLINOIS 62767-0001

ROD R. BLAGOJEVICH
GOVERNOR

J. ANTHONY CLARK
DIRECTOR

Honorable Rod R. Blagojevich Governor State of Illinois Springfield, Illinois

Dear Governor Blagojevich:

It gives me great pleasure to submit the Annual Report for the Department of Insurance for 2002. The Report summarizes the Department's activities and fiscal operations for last year.

The Department's responsibility for consumer advocacy was expanded beginning January 1, 2002, with the creation of the Uninsured Ombudsman Program within the Office of Consumer Health Insurance. Created by P.A. 92-0331, the Ombudsman Program staff worked closely with consumers who did not have, or were about to lose, health insurance coverage. The Program polled local governments and community groups to create a database of free, or low-cost, health services around the state. Uninsured consumers now calling the Department's toll-free line for coverage information are provided information on how to access these health services in their area for their immediate needs.

In 2002, the Department continued to streamline its operations. We continued to improve and adapt our ability to handle consumer complaints over the Internet. We also ensured that consumers were able to access important information from our website through the continued development of fact sheets on numerous insurance topics. The Department's effort to increase the efficiency with which it deals with insurance company filings took a giant step forward in 2002 with the incorporation of the System for Electronic Rate and Form Filing (SERFF).

Important legislative initiatives enacted in 2002 included: P.A. 92-0669 which prohibits insurers from canceling, refusing to issue or refusing to renew policies solely on the basis that one or more claims from the preceding 60 months was the result of a hate crime; P.A. 92-0835 which clarifies when a new or used automobile dealer's insurance is primary when allowing consumers to test drive autos; and P.A. 92-0579 to require health insurers to disclose to policyholders the ramifications of using non-network health care providers.

The following report provides additional information on these topics as well as an overview of the Department, a review of all enacted legislation and Department regulatory actions, and a summary of the 2002 financial statements filed by all licensed insurance companies.

Respectfully submitted,

J. Anthony Clark Director Blank Page

Table of Contents

Directors of Insurance
Mission and Functions
Organization
2002: The Year in Review
Insurance Legislation in 2002 9
Insurance Rulemaking in 2002
Budget and Resources
Consumer Market Division
Financial-Corporate Regulatory Division
Legal Division
Office of the Special Deputy
Surplus Lines Companies 53
Lines of Authority
Summary of Annual Statements

Directors of Insurance

103-present	Justin T. McCarthy	1954–1957
999–2003	Laddie T. Pelnar (Acting)	1954
998–1999	Robert E. Barrett	1953–1954
95–1998	J. Edward Day	1950–1953
994–1995	Harry B. Hershey	1949–1950
991–1994	N. P. Parkinson	1944–1949
1991	Paul F. Jones	1941-1944
989–1991	S. Hayden Davis	1940-1941
983–1989	Ernest Palmer	1933-1940
982–1983	Harry Hanson	1930-1933
79–1982	George Huskinson	1927-1930
977–1979	Alex Johnson	1923-1927
976–1977	Thomas J. Houston	1921–1923
1976	Fred W. Potter	1917–1921
974–1976	Rufus Potts	1913–1917
973–1974	Fred W. Potter	1907-1913
969–1973	William R. Vredenburgh	1903-1907
965–1969	Henry Yates	1901-1903
963–1965	James R. Van Cleave	1897-1901
957–1963	Bradford Durfee	1893–1897
	98–1999 95–1998 94–1995 91–1994 1991 89–1991 83–1989 82–1983 79–1982 77–1979 76–1977 1976 74–1976 73–1974 69–1973 65–1969 63–1965	Laddie T. Pelnar (Acting) 98–1999



Deirdre K. Manna Assistant Director



J. Anthony Clark Director



Jack Messmore Acting Chief Deputy Director

Mission and Functions

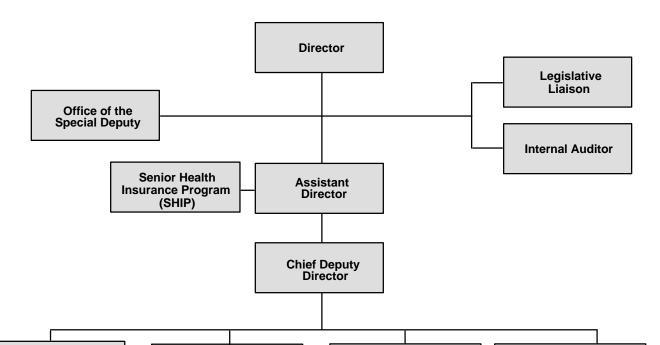
The mission of the Illinois Department of Insurance is:

To protect consumers by providing assistance and information, by efficiently regulating the insurance industry's market behavior and financial solvency, and by fostering a competitive insurance marketplace.

The Department carries out its mission through effective administration and enforcement of the Illinois Insurance Code (215 ILCS 5/1 to 5/1312), the Illinois Pension Code (40 ILCS 5/1-101 to 5/24-109) and related laws and regulations (Title 50, Illinois Administrative Code.)

The Department has four major operating Divisions: Administrative Services, Consumer-Market, Financial-Corporate Regulatory, and Legal. The Department also sponsors the Senior Health Insurance Program and oversees the operations of the Office of the Special Deputy, which handles the affairs of insurance companies placed in rehabilitation, conservation or liquidation.

Department Organization



Consumer Market Division

Consumer Services Section

L/A&H Unit Outreach Program P&C Unit

Cost Containment Section

Life/Accident & Health Compliance Section

HMO Compliance Unit L/A&H Compliance Unit Office of Consumer Health Insurance

Market Conduct Section

Producer Section

Licensing &
Communication/
Education Units
Producer Regulatory Unit

Property/Casualty Compliance Section

P&C Compliance Unit

Legal Division

Counsel

Hearings

Procurement Management

Rules Unit/FOIA

Administrative Services Division

Information Systems Section

Personnel Management Section

Staff Development and Training Unit

Record Services Section

Mail/File Services Unit Microfilm/Quality Control Unit

Staff Support Section Word Processing Unit

Tax & Fiscal Services Section

Fiscal Services Unit Securities Unit Tax & Audit Unit

Financial-Corporate Regulatory Division

Casualty Actuarial Section

Corporate Regulation Section

L/A&H Corporate Unit Non-Admitted Insurers Regulatory Unit P&C Corporate Unit

Financial Regulation Section

HMO Financial Analysis
Unit

L/A&H Financial Analysis Unit

P&C Financial Analysis Unit Regulatory Action Unit

L/A&H Examination Section

Life Actuarial Section

P&C Examination Section

Public Pension Section